

# FINAL AUDIT REPORT ON THE COMMITTEE TO ELECT KWAME R. BROWN PRINCIPAL CAMPAIGN COMMITTEE 2004 ELECTION YEAR

**JUNE 2005** 

REPORTS ANALYSIS AND AUDIT DIVISION OFFICE OF CAMPAIGN FINANCE WASHINGTON, DC 20009

## I. BACKGROUND

# A. OVERVIEW

This report is based upon a field audit of the statements and Reports of Receipts and Expenditures filed by the <u>Committee to Elect Kwame R. Brown</u> ("the Committee") undertaken by the Reports Analysis and Audit Division, Office of Campaign Finance (OCF), to determine if the above comply with the provisions of the District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974, as amended, D.C. Official Code Section 1-1103.03(8) (2001 Edition) (the Act).

# 1. Candidate

Kwame R. Brown, a candidate in the 2004 Primary and General Elections for the Office of Member of the Council At-Large, registered with the OCF on May 30, 2003, in accordance with D.C. Official Code Section 1-1102.05. Mr. Brown also filed a Candidate Waiver Request of the reporting requirements for the filing of Candidate Reports of Receipts and Expenditures, pursuant to D.C. Official Code Section 1-1102.06.

The field audit of the candidate's statements covered the period May 2003 through January 2005. The candidate, in his Statement of Candidacy, designated the <u>Committee</u> to Elect Kwame R. Brown as his Principal Campaign Committee.

## 2. Principal Campaign Committee

The <u>Committee to Elect Kwame R. Brown</u> registered with the OCF on May 30, 2003, in accordance with D.C. Official Code Section 1-1102.04. All Reports of Receipts and Expenditures were timely filed.

The audit of the Committee to Elect Kwame R. Brown covered the period May 2003 through January 2005. The Committee's report of July 31, 2003, the first report filed, disclosed a beginning cash balance of \$0.00. During the period of the pre-audit (desk) review, the reports filed by the Committee reflected total aggregated receipts of \$280,927.99 and total aggregated expenditures of \$273,392.28, and an ending cash balance of \$6,874.44. Receipts and expenditures per **audit** were \$302,123.92 and \$289,520.69, respectively, with an ending cash balance of \$12,603.23. The Committee reported debts and obligations outstanding, totaling \$27,357.63.

## **B. KEY PERSONNEL**

The principal officers of the <u>Committee to Elect Kwame R. Brown</u> were Charles D. Hawkins, Treasurer, and Anwar S. Saleem, Chairperson, as cited in the Statement of Organization. Acceptance of Treasurer and Chairperson forms were filed on May 30, 2003.

# C. SCOPE

The audit procedures performed included a verification and/or examination of:

- 1. The mathematical accuracy of the Reports of Receipts and Expenditures filed with the Director, Office of Campaign Finance, during the period audited;
- 2. Total reported receipts and expenditures and individual transactions with source documents:
- 3. Conformity with the contribution limitation as mandated by D.C. Official Code Section 1-1131.01;
- 4. Committee debts and obligations;
- 5. Proper categorization of the Committee's receipts and expenditures; and
- 6. The review procedures as deemed necessary under the circumstances.

## II. AUDITOR'S STATEMENT

In the Preliminary Audit Report, the Audit staff recommended the Committee file an amended consolidated report correcting the mathematical and reporting issues noted therefore resulting in a misstatement of the Committee's financial activity. The Committee responded on June 3, 2004, submitting an amended consolidated report as recommended. All issues appeared to be adequate and no further action is recommended.

In addition, in the Preliminary Audit Report, there were questionable expenditures made and questionable contributions/loans received by the Committee. The Committee addressed these issues in their response to the Preliminary Audit Report. One issue related to a reimbursement to the candidate for auto insurance. The Committee stated that the van in question was purchased solely for the candidate's campaign. Another issue related to a possible excessive contribution/loan from the candidate's spouse due to checks received from a joint account of the candidate and his spouse. In its response, the Committee stated that the candidate is the sole income provider for his family and that his spouse has not been employed for the last three (3) years. These responses are acceptable by the Audit staff and no further action is recommended.

# III. RECOMMENDATION

We therefore recommend that this report be issued as a "Final Audit Report". We have determined that the reports and statements filed by the <u>Committee to Elect Kwame R. Brown</u> with the Director, Office of Campaign Finance, are in substantial compliance with the District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974, as amended.

June 8, 2005

Date

Renee Coleman-Bunn

Renee Coleman-Bunn Audit Manager

## FINAL AUDIT APPROVED FOR RELEASE:

# **Cecily E. Collier-Montgomery**

Cecily E. Collier-Montgomery Director Office of Campaign Finance

**June 8, 2005** 

Date